



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

July 28, 2014

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
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MARK RIDLEY-THOMAS  
Second District

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## **STATUS REPORT ON WORKERS' COMPENSATION CLAIMS ADMINISTRATION SYSTEM CONVERSION AND REQUEST FOR PROPOSALS**

On February 28, 2012, the Board approved the recommendation to execute a sole source contract with P&C Claims, Inc. (P&C), for application hosting and maintenance services to support the workers' compensation claims administration system (System) and a conversion to a system with a relational database. At that time, the Board instructed the Chief Executive Officer (CEO) to immediately initiate the Request for Proposals (RFP) process for a workers' compensation claims administration system and to report back in July 2012, and every six months thereafter, on the status of the RFP development and the conversion of the current workers' compensation system to a relational database system. This memorandum provides the fifth status report on the system conversion and RFP development.

### **Conversion of Genlris to ClaimsVision**

The CEO and P&C are engaged in a system conversion that will replace the current System (Genlris) with ClaimsVision. Initial discussion began in April 2012, which led to the development of a Project Charter. CEO and P&C have identified personnel to oversee the conversion of data from Genlris to ClaimsVision, configure necessary business processes and reporting, assure robust interfaces, and perform user-acceptance testing. Currently, CEO Risk Management Branch staff are navigating the operational claims management component of the system in a "sandbox" environment. Development in this area will continue through the next three months.

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### Conversion of GenIris to ClaimsVision (Continued)

During the last several months, the primary focus has been on the results from conversion tools that converted legacy data to the new system, and on the development of automated interfaces. As previously reported, P&C has concluded the development of standard interfaces, including: Bill Review, Claim Search, State Reporting, and Reporting Solutions. Work is underway to automate additional required interfaces. The Data Integrity Tool has been used to convert one of the four claim units. The results have been analyzed and data conversion of the three remaining units has begun.

On January 1, 2014, two new workers' compensation Third Party Administrators (TPAs) began managing approximately 14,000 open workers' compensation claims. The workers' compensation claims transfer took approximately three months of preparation and will require continued training on County procedures and current claims administration system functionality. Due to this transfer and the number of interface programs that require continued analysis, the ClaimsVision conversion "Go Live" date will take place in the 2nd quarter of FY 2014-15. During the week of June 30, 2014, ClaimsVision training was provided to workers' compensation TPAs' staff.

### Conversion Timeline

<b>Milestone/Phase</b>	<b>Scheduled Completion</b>
Development of Hierarchies	January 2013 – February 2014
Conversion of Static Historical Data	November 2013 – September 2014
Go Live Simulation	February 2014 – September 2014
Quality Assurance – Unit Testing	April 2014 – September 2014
Quality Assurance – User Acceptance Testing	July 2014 – September 2014
Final Implementation	September 2014 – October 2014
Go Live	2nd Quarter FY 2014-15
Post Live Support and Project Closure	2nd Quarter FY 2014-15

### Request for Proposals for New Workers' Compensation System

On March 2, 2012, CEO issued a Work Order Request for Assistance with Solicitation for a Workers' Compensation Administration and Management Information System under the Risk Management and Insurance Consulting Services Master Agreement. Warren, McVeigh & Griffin, Inc., (WMG) was selected to assist in the development of the Statement of Work (SOW), RFP, and assist in the selection of a contractor. After soliciting a needs assessment from various system users, WMG developed a draft SOW.

Each Supervisor  
July 28, 2014  
Page 3

The CEO has analyzed the current risk management claims management systems and recognized the need to evaluate a consolidated and comprehensive system. Such systems include the management of workers' compensation, general liability, auto liability, small claims, and disability management. Currently, the CEO continues to evaluate the consolidation and upgrade of existing systems.

As previously reported, the CEO issued a request for information (RFI) to evaluate existing and emerging technologies to unify and upgrade existing systems. Industry leaders provided a number of viable responses indicating the ability to enhance and consolidate the County's claims management systems across functional areas. Accordingly, the CEO plans to issue a single, comprehensive RFP that will include claims management across multi-lines that includes workers' compensation. The CEO also plans to release the RFP in November 2014, and provide the Board with a recommendation in January 2016.

The CEO will provide another status report to the Board in January 2015.

If you have any questions or would like additional information, your staff may contact Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

WTF:BC  
STR:AR:rn

c: Executive Office, Board of Supervisors  
County Counsel  
Chief Information Officer